

Message Text

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PAGE 01 BUCAR 04517 01 OF 02 291148Z
ACTION EUR-12

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UNCLAS SECTION 1 OF 2 BUCHAREST 4517

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SUBJECT: US-ROMANIAN ECONOMIC COUNCIL: CEAUSESCU MEETING

REF: BUCHAREST 004272

1. PRESIDENT CEASUSESCU TOLD ASSISTANT SECRETARY VEST AND AMERICAN MEMBERS OF JOINT ROMANIAN-U.S. ECONOMIC COUNCIL THAT IN ITS CURRENT AND FUTURE ECONOMIC PLANNING ROMANIA ENVISIONED AN INCREASINGLY IMPORTANT ROLE FOR TRADE AND ECONOMIC COOPERATION WITH THE U.S. CEAUSESCU RECEIVED GROUP IN GRAND HALL OF PRESIDENTIAL PALACE FOR ONE HOUR JUNE 27, IN THE PRESENCE OF TV AND STILL PHOTOGRAPHERS. ALSO PRESENT WERE DEPUTY H I ME MINISTERS BURTICA AND NICULESCU, MINISTERS ANDREI, FLORESCU, AVRAM, AND AMBASSADOR. IN HIS RESPONSE TO OPENING STATEMENT BY COUNCIL CHAIRMAN MILTON F. ROSENTHAL, CEAUSESCU, WITH BIG SMILE AND AN ASIDE CHUCKLE TO AMBASSADOR, SAID THAT IT WAS INTERESTING TO NOTE THAT HE WAS RECEIVING THE U.S. BUSINESS LEADERS AT SAME TIME ANOTHER ECONOMIC MEETING WAS TAKING PLACE ELSEWHERE IN THE TOWN. HE GESTURED IN DIRECTION OF THE VICTORIA PALACE BUILDING WHERE THE CEMA PRIME MINISTERS WERE IN SESSION, LEAVING NO DOUBT THAT HE WISHED TO HIGHLIGHT
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PAGE 02 BUCAR 04517 01 OF 02 291148Z

ROMANIA'S RELATIONS WITH THE UNITED STATES IN BALANCE
WITH ITS ECONOMIC LINKS WITHIN THE COMMUNIST WORLD.

2. CEAUSESCU OBSERVED THAT THE U.S. BUSINESSMEN HE WAS RECEIVING THIS YEAR WERE YOUNGER THAN ANY PREVIOUS GROUP. THIS, HE SAID, AUGURS WELL FOR VITALITY OF THE FUTURE OF OUR RELATIONS. HE EXPRESSED SATISFACTION

WITH GOOD AND COURSE AND STUDY IMPROVEMENT OF BILATERAL TRADE.

3. IN RESPONSE TO ROMANIAN PRESIDENT'S QUESTION ON FEASIBILITY OF 1980 GOAL OF ONE BILLION DOLLARS IN BILATERAL TRADE, ROSENTHAL SAID THAT TARGET WAS NOT TOO AMBITIOUS AND PREDICTED THAT IN RETROSPECT IT WOULD APPEAR MODEST. WITH PRESERVATION OF COOPERATION ATMOSPHERE WHICH CHARACTERIZED COUNCIL MEETING, LARGER GOALS WOULD BE ATTAINED. IF BUSINESS DONE IN ROMANIA BY MULTINATIONAL US-AFFILIATED CORPORATIONS WERE ADDED IN, CURRENT TOTAL WOULD PROBABLY ALREADY HAVE EXCEEDED ONE BILLION DOLLARS.

4. ASKED BY CEAUSESCU FOR FRANK INDICATION OF PROBLEMS IN TRADE RELATIONSHIP, ROSENTHAL CITED ROMANIAN DELAYS IN DELIVERY SCHEDULES TO U.S. PARTNERS. CAUSED BY COMPETING DIVISION OF INTERESTS BETWEEN ROMANIAN DOMESTIC PRIORITIES AND TRADE COMMITMENTS, THESE DELAYS CAUSEFP PROBLEMS FOR U.S. FIRMS IN MEETING SCHEDULES FOR THEIR CLIENTS.

5. CEAUSESCU SAID THESE KINDS OF DELAYS, ALTHOUGH NOT PECULIAR TO ROMANIA OR UNKNOWN IN THE US BUSINESS PERFORMANCE, WOULD BE CORRECTED. DELIVERIES OF GOOD QUALITY GOODS WOULD BE MADE ON TIME. WHILE ROMANIA'S BELIEF IN INDEPENDENT NATIONAL ECONOMIC DEVELOPMENT DISALLOWED UNCLASSIFIED

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PAGE 03 BUCAR 04517 01 OF 02 291148Z

COUNTING THE MULTINATIONALS' COMMERCE IN U.S.-ROMANIAN TOTALS HE FELT A 1985 TARGET OF \$1.7 BILLION WAS ATTAINABLE. HE STRESSED ROMANIA'S NEED FOR MORE JOINT VENTURES IN THIRD COUNTRIES. AFTER COOPERATION IN THE PETROLEUM, CHEMICAL, AND MACHINE BUILDING INDUSTRIES, ROMANIA LOOKED FORWARD TO BW COOPERATION IN NUCLEAR ENERGY. IN THIS RESPECT NEGOTIATIONS WERE ALREADY UNDERWAY WITH CANADA AND THE USG. CITING RECENT IMPORTANT AGREEMENT, SIGNED DURING HIS STATE VISIT TO LONDON, WITH BRITISH AEROSPACE AND ROLLS ROYCE, CEAUSESCU SAID COOPERATION WITH FOKKER SOON WOULD BE FINALIZED AND THAT AVIATION WAS AREA WHERE THERE WAS ROOM FOR FURTHER COOPERATION WITH U.S.

6. INDICATING THAT HE WAS TAKING ADVANTAGE OF ASSISTANT SECRETARY VEST'S AND AMBASSADOR AGGREY'S PRESENCE, CEAUSESCU SAID BILATERAL TRADE WAS STILL HAMPERED BY INORDINATE DELAYS IN USG APPROVALS OF EXPORT LICENSES FOR TECHNOLOGY TRANSFER. SOME APPROVALS TOOK YEARS, TO THE POINT WHERE TECHNOLOGY RISKED BEING NO LONGER COMPETITIVE. CURRENT EFFORTS OF ROMCONTROLDATA JOINT VENTURE TO DEVELOP MAJOR EXPORT CAPABILITY WERE

FRUSTRATED BY LICENSE PROBLEM. THIS GENERAL PROBLEM HE HAD REVIEWED WITH PRESIDENT CARTER AT THE WHITE HOUSE IN APRIL AND HE WAS PLEASED AND ENCOURAGED BY PRESIDENT CARTER'S FOLLOW-UP LETTER ON THE MATTER INDICATING STEPS HE HAD TAKEN TO URGE MORE RAPID SOLUTIONS TO PROBLEM.

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PAGE 01 BUCAR 04517 02 OF 02 291211Z
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UNCLAS SECTION 2 OF 2 BUCHAREST 4517

ASSISTANT SECRETARY VEST COULD CARRY BACK MESSAGE OF CONTINUING NEED FOR MORE CONCRETE PROGRESS ON EXPORT LICENSES, HOPE FOR A FREER SYSTEM OF COOPERATION IN AREA OF COMPUTER TECHNOLOGY, AND ROMANIA'S FIRM RESOLVE TO DO MORE BUSINESS WITH USG. ROSENTHAL OBSERVED THAT U.S. ENTREPRENEURS WERE PAID ON BASIS OF BUSINESS GAINS AND NOT LOSSES, TO WHICH CEAUSESCU INTERJECTED THAT SUCH A PRACTICE EXISTED IN ROMANIA. WHEN CEAUSESCU JOKINGLY OBSERVED THAT ROMANIA'S CURRENT WIDESPREAD ECONOMIC REFORMS MIGHT COME AT TIME U.S. ALSO NEEDED SOME REFORMS AND THAT PERHAPS FREE ENTERPRISE SYSTEM WAS NOT AS FREE FROM GOVERNMENT CONTROL AS SOME MIGHT WISH, ROSENTHAL DEFENDED OPERATIONAL FREEDOM OF U.S. BUSINESS AS ONE OF U.S. ECONOMIC SYSTEM'S OUTSTANDING STRENGTHS AND ADDED THAT BUSINESS COMMUNITY HAD ITS OWN CONCERNS WITH EXPORT CONTROL POLICY AND MADE THESE VIEWS CLEARLY KNOWN. HE WAS PLEASED THAT ASSISTANT SECRETARY VEST WAS PRESENT TO HEAR ROMANIA'S CONCERNS FIRST HAND.

7. CEAUSESCU CONCLUDED BY REASSURING GROUP OF PRIME IMPORTANT ROMANIA ATTACHED TO ITS ECONOMIC RELATIONS WITH U.S. THEY WERE PART OF A PATTERN OF GROWING COOPERATION AND FRIENDSHIP BETWEEN TWO GOVERNMENTS AND PEOPLES.

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PAGE 02 BUCAR 04517 02 OF 02 291211Z

AS THE COUNCIL CONTRIBUTED SUBSTANTIALLY TO THIS COOPERATION,
IT SERVED THE COURSE OF WORLD PEACE, CEAUSESCU SAID.
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